

ORIGINAL FILE
ILLINOIS COMMERCE COMMISSIONDocket No. _____
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AFN Telecom, LLC

Application for a certificate of
interexchange authority to operate
as a facilities based carrier of
telecommunications services throughout
the State of Illinois.

01-0304

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ILLINOIS
COMMERCIAL COMMISSION

APPLICATION FOR CERTIFICATE TO BECOME A
TELECOMMUNICATIONS CARRIER

GENERAL

1. Applicant's Name (including d/b/a, if any)

FEIN # 25-1869117AFN Telecom, LLCAddress: Street 2 West Second Street, Williams Tower IICity Tulsa State/Zip OK 74103-31022. Authority Requested: (Mark all that apply) ☒ 13-403 Facilities Based Interexchange☐ 13-404 Resale of Local and/or Interexchange☐ 13-405 Facilities Based Local

3. Request for waivers/variances: In applications for local exchange service authority under Sections 13-404 or 13-405, waivers of Part 710 and of Section 735.180 of Part 735 are generally requested. In applications for interexchange service authority under Sections 13-403 and 13-404, waivers of Part 710 and Part 735 are generally requested. Please indicate which waivers Applicant is requesting and explain why Applicant is requesting each waiver/variance.

☒ Part 710 Uniform System of Accounts for Telecommunications Providers

☒ Part 735 Procedures Governing the Establishment of Credit, Billing, Deposits,
Termination of Service and Issuance of Telephone Directories for Local
Exchange Telecommunications Carriers in the State of Illinois

X Section 735.180 Directories

 X Other

Part 710, Uniform System of Accounts for Telecommunications Carriers: AFN Telecom requests a waiver of rules and regulations requiring the use of the Uniform System of Accounts. Pursuant to Section 710.18, AFN Telecom submits that such a waiver is proper in light of AFN Telecom's circumstances and its use of a substantially equivalent system of accounts. Given that AFN Telecom is a competitive carrier exempt from the FCC Uniform System of Accounts regulations (adopted by reference in the Illinois Administrative Code) and has no market power, it would be burdensome and unnecessary to require it to comply with these regulations. AFN Telecom maintains its books and records in accordance with Generally Accepted Accounting Principles. As such, AFN Telecom meets the waiver requirements as set forth in Section 710.18.

Part 735 (including Section 735.180), Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Local Exchange Telecommunications Carriers in the State of Illinois: Pursuant to Section 735.50, AFN Telecom requests a waiver of Part 735, including Section 735.180. AFN Telecom submits that: (1) application of Part 735 to AFN Telecom is not statutorily mandated; (2) no party will be injured by granting this variance; and (3) given that AFN Telecom is a competitive carrier and has no market power, and will be providing carrier to carrier and wholesale services rather than retail services to end users, Part 735 is not applicable to its services and application of Part 735 in this particular case would be unreasonable and unnecessarily burdensome. As such, AFN Telecom meets the waiver requirements for Part 735 as set forth in Section 735.50.

Part 250, Public Utility Books and Accounts: Pursuant to Section 250.40, AFN Telecom requests waiver of Part 250, requiring AFN Telecom to keep its books and records in the State of Illinois. As a national company headquartered in Oklahoma, it would be impractical for AFN Telecom to maintain separate records in each state in which it is providing service. Further, such waiver will reduce the economic burdens of regulation and is not inconsistent with the Public Utilities Act. If granted this waiver, AFN Telecom will reimburse any travel expenses applicable to out-of-state travel by representatives of the Commission as required to review such records.

Public Utilities Act, Section 7-101, Transactions with Affiliated Interests: Pursuant to Public Utilities Act Section 13-402, and understanding that several provisions set forth in Section 7-101 are already waived by Part 310 of the Commission's regulations, AFN Telecom requests waiver of requirements to file and seek approval for contracts with affiliated interests to the maximum extent permitted by law. Given that AFN Telecom and its parent, AFN Communications, LLC ("AFN"), are competitive carriers and have no market power, it would be unduly burdensome and unnecessary to require AFN Telecom to comply with these regulations. Further, such waiver will reduce

the economic burdens of regulation and is not inconsistent with the Public Utilities Act. Thus, a waiver of Section 7-101 to the maximum extent permitted by law would be proper under the standards set forth in the Public Utilities Act, Section 13-402.

4. For all applicants requesting local exchange authority under Section 13-404 or Section 13-405, please complete the following:
- (a) the Standard Questions for Applicants Seeking Local Exchange Service Authority found in Appendix A of this document
 - (b) the 9-1-1 Questions for Applicants Seeking Local Exchange Service Authority found in Appendix B of this document;
 - (c) the Financial Questions for Applicants Seeking Local Exchange Service Authority found in Appendix C of this document; and
 - (d) if applicable, the Prepaid Service Questions for Applicants Seeking Local Exchange Service Authority found in Appendix D of this document.

AFN Telecom is not requesting local exchange authority under Section 13-404 or Section 13-405. Notwithstanding this fact, AFN Telecom has included in its written testimony the questions posed in Appendices A through D to the extent applicable to AFN Telecom's service offerings.

5. In what area of the state does the Applicant propose to provide service?

AFN Telecom is requesting statewide authority to provide 24 hour non-switched facilities-based interexchange and dedicated access intrastate telecommunications service throughout Illinois. A map of AFN's overall network is attached hereto as Exhibit A.

6. Please attach a sheet designating contact persons to work with Staff on the following:
- a) issues related to processing this application
 - b) consumer issues
 - c) customer complaint resolution
 - d) technical and service quality issues
 - e) "tariff" and pricing issues
 - f) 9-1-1 issues
 - g) security/law enforcement

Please identify each contact person's (i) name, (ii) title, (iii) mailing address, (iv) telephone number, (v) facsimile number, and (vi) e-mail address.

See Exhibit B.

7. Please check type of organization?

☐ Individual
☐ Partnership

☐ Corporation
Date corporation was formed _____
In what state? _____

☒ Other -- Limited Liability Company

AFN Telecom, a Virginia limited liability company, is a wholly-owned subsidiary of AFN Communications, LLC ("AFN"), a venture of utility telecommunications affiliates and several other telecommunications providers. AFN Telecom's sole member is AFN. A copy of AFN Telecom's Certificate of Organization and its Certificate of Authority to do business in Illinois is attached hereto as Exhibit C.

The managing members of AFN, which collectively hold approximately ninety percent (90%) of the company, are: (1) AEP Fiber Venture LLC, a Virginia limited liability company; (2) GPU Telcom Services, Inc., a Delaware corporation; and (3) Allegheny Communications Connect, Inc., a Delaware corporation.

AFN maintains its headquarters at 2 West Second Street, Williams Tower II, Tulsa, OK 74103-3102, and its telephone number is (918) 594-2102.

8. Submit a copy of articles of incorporation and a copy of certificate of authority to transact business in Illinois.

See Exhibit C.

9. List jurisdictions in which Applicant is offering service(s).

AFN Telecom is currently offering, or expects to offer in the near future, interstate and/or intrastate service in the following states:

<u>Illinois</u>	<u>Indiana</u>	<u>Kentucky</u>
<u>Maryland</u>	<u>New Jersey</u>	<u>New York</u>
<u>North Carolina</u>	<u>Ohio</u>	<u>Pennsylvania</u>
<u>Tennessee</u>	<u>Virginia</u>	<u>West Virginia</u>

10. Has the Applicant, or any principal in Applicant, been denied a Certificate of Service or had its certification revoked or suspended in any jurisdiction in this or another name?

☐ YES (Please provide details) ☒ NO

11. Have there been any complaints or judgements levied against the Applicant in any other jurisdiction?

____ YES X NO

If YES, describe fully. _____

12. Has Applicant provided service under any other name?

____ YES X NO

If YES, please list. _____

13. Will the Applicant keep its books and records in Illinois? ____ YES X NO

If NO, permission pursuant to 83 Ill. Adm Code Part 250 needs to be requested.

See request for waiver, above.

MANAGERIAL

14. Please attach evidence of the applicant's managerial and technical resources and ability to provide service. This may be in either narrative form, resumes of key personnel, or a combination of these forms.

AFN Telecom's parent is operating an extensive fiber optic network comprising over 7000 route miles of fiber in the Midwest and Mid-Atlantic regions, and is currently providing state-of-the-art SONET-based fiber optic network services to long distance carriers, wireless carriers, and ISPs. AFN Telecom will be managed by the same team that is operating its parent's fiber network, and capacity from that network will be used by AFN Telecom to provide intrastate services in Illinois.

The telecommunications experience of each of the principal managers of AFN Telecom is extensive, and is set forth in Exhibit D to this Application. In summary, AFN Telecom will be led by a group of managers with significant experience in the telecommunications business.

15. List officers of Applicant.

Gordon C. Martin, President and Chief
Executive Officer

David J. Cordeiro, Vice President, Strategic
Planning and Communications

Brian L. Cantrell, Chief Financial Officer

Bill Hampton, Vice President, Sales &
Marketing

F. Bunker Sessions, Chief Technology Officer

J.B. Manley, Vice President, Business Development

Gary Watson, Chief Operations Officer

Kathy Case, Vice President, Administration

David W. Arneson, Treasurer & Secretary

Mickey Moon, Assistant Secretary

Bruce M. Sedlock, Assistant Secretary

16. Does any officer of Applicant have an ownership or other interest in any other entity which has provided or is currently providing telecommunications services? ____ YES ____ X NO

No officer of Applicant has an active ownership or management interest in any other entity that has provided or is currently providing telecommunications service in Illinois.

If YES, list entity. _____

17. How will Applicant bill for its service(s)? (At a minimum, describe how often the Applicant will bill for service and details of the billing statement.)

AFN Telecom requests pricing authority for customer specific offerings ("CSOs") or individual case basis ("ICBs") types of arrangements to permit negotiation of contract services to meet the unique needs of AFN Telecom's customers and the competitive marketplace within which AFN Telecom will be providing services. AFN will conduct billing services for AFN Telecom. AFN Telecom will provide a detailed bill to each customer monthly, in advance, based on the agreed upon prices and services provided. AFN Telecom may consider alternative billing arrangements for a particular customer by separate agreement.

18. How does Applicant propose to handle service, billing, and repair complaints? (At a minimum, describe Applicant's internal process for complaint resolution, the complaint escalation process, the timeframe and process by which the customer is notified by Applicant that they may seek assistance from the Commission?)

AFN Telecom will provide services to carriers, ISPs and to industrial, institutional, government and other large, sophisticated users within the State of Illinois, rather than provide retail services to residential customers. Customers may report any service interruptions or repair complaints to the Network Operations Center via a toll-free customer service number, available 7 days a week, 24 hours a day (1-866-236-6823). For non-urgent complaints and queries, including billing questions, customers may also contact Lisa Stieber, AFN Telecom, LLC, at (918) 594-2184.

AFN Telecom's Telecommunications Services Tariff (to be filed after the grant of certification by the Commission) will provide that customers may report any objections

to billed charges within twenty days of the closing date of a printed bill. To the extent appropriate, AFN Telecom will adjust the customer's bill accordingly. The tariff also provides procedures for customer refunds or credits in the event that the customer experiences outages or interruptions of service.

19. Will personnel be available at Applicant's business office during regular working hours to respond to inquiries about service or billing? ☒ YES ☐ NO

20. What telephone number(s) would a customer use to contact your company?

Customers may report any service interruptions or repair complaints to the Network Operations Center via a toll-free customer service number, available 7 days a week, 24 hours a day (1-866-236-6823). For non-urgent complaints and queries, including billing questions, customers may also contact Lisa Stieber, AFN Telecom, LLC, at (918) 594-2184.

21. Will Applicant abide by all Federal and State slamming and cramming laws pursuant to Section 13-902 of the Public Utilities Act and Section 258 of the 1996 Telecommunications Act?

☒ YES ☐ NO

22. Please describe applicant's procedures to prevent slamming and cramming of customers?

At the present time, AFN Telecom will not be providing pre-subscribed retail services to end users, and thus, this question is inapplicable.

23. If granted authority to operate as a local exchange carrier, will the applicant abide by the following 83 Illinois Administrative Code Parts: 705, 710, 720, 725, 730, 735, 755, 756, 757, 770, and 772?

☐ YES ☐ NO (If no, please provide an explanation.)

Because AFN Telecom will not be providing local exchange service, this question is not applicable to this proceeding.

24. Is Applicant aware that it must file tariffs prior to providing service in Illinois?

☒ YES ☐ NO

FINANCIAL

25. Please attach evidence of Applicant's financial fitness through the submission of its most current income statement and balance sheet, or other appropriate documentation of applicant's financial resources and ability to provide service.

AFN Telecom is financially qualified to undertake the proposed services in Illinois by virtue of its access to capital necessary to finance its activities. In support of its Application, attached hereto as Exhibit E is a copy of Applicant's Balance Sheet and Income Statement for the year ending and as of December 31, 2000, as well as pro forma statements for the next three years.

As requested in the transmittal letter accompanying this Application, Exhibit E contains confidential and proprietary financial information that AFN Telecom respectfully requests be treated as confidential. Because this Exhibit contains financial information for AFN Telecom's operations in Illinois, its competitors may gain a significant competitive advantage should this information be disclosed. AFN Telecom is a privately held company, as is its parent, AFN, and therefore this information is not a matter of public record in any jurisdiction. Accordingly, disclosure of such information may result in substantial harm to the competitive position of AFN and AFN Telecom in Illinois and elsewhere.

TECHNICAL

26. Does Applicant utilize its own equipment and/or facilities? ☒ YES ☐ NO

If YES, please list the facilities Applicant intends to utilize. Also include evidence that Applicant possesses the necessary technical resources to deploy and maintain said facilities:

By this Application, AFN Telecom requests the issuance of a Certificate to allow it to provide the proposed services by utilizing its rights in the use of capacity on fiber facilities it has acquired or will acquire from its parent. The facilities are currently used by AFN in the provision of interstate capacity, and through this Application the Applicant seeks authority to use these facilities in the provision of the intrastate services described herein. The managerial and technical qualifications of AFN Telecom are set for in Exhibit D.

If NO, which facility provider(s)'s services does the Applicant intend to use?

27. Please describe the nature of service to be provided (e.g., operator services, internet, debit cards, long distance service, data services, local service, prepaid local service).

AFN Telecom seeks authority to offer nonswitched facilities-based interexchange and dedicated access intrastate telecommunications services to carriers and to industrial,

institutional and government customers within the State of Illinois. AFN Telecom will file its Telecommunications Services Tariff prior to commencing intrastate service in the State.

The proposed services will primarily consist of the provision of fiber optic capacity to connect customer premises through one or more AFN Telecom points of presence. Dedicated access services will consist of the provision of a transmission path to connect customer premises and AFN Telecom points of presence, along with corresponding private line services. AFN Telecom will also offer fiber capacity on a wholesale basis to telecommunications carriers -- such as IXC's, ILEC's, CLEC's, wireless carriers and international carriers -- and to ISPs and other large users. AFN Telecom will provide SONET transport capacity to enable its customers to meet the growing demand for reliable, high-bandwidth voice, data and video transmission capacity. Services to be provided include point-to-point DS-1, DS-3 and OC-x capacity. As market demand and company business plans permit, AFN Telecom may in the future provide additional fiber-based services, including IP, ATM or frame relay services.

AFN Telecom will initially provide 24-hour nonswitched facilities-based interexchange and dedicated access intrastate telecommunications services in Illinois. AFN Telecom is requesting statewide authority to provide such services in the event it decides to expand its operations in the future.

28. Will technical personnel be available at all times to assist customers with service problems?

 X YES NO

29. If Applicant intends to provide payphone service, will the equipment utilized comply with FCC requirements and Finding (9) of the Commission Order entered in Docket No. 84-0442 on June 11, 1986, including, but not limited to: (a) touch dialing; (b) access to 9-1-1 and "0" operator dialing without use of a coin; (c) rules governing use of payphones by disabled persons; (d) ability to complete local and long-distance calls; (e) unlimited duration for local calls; and (f) a message explaining the telephone's general operations, dialing instructions for emergency assistance, payphone owner's name, method of reporting service problems and method of receiving credit for faulty calls?

 YES NO

Applicant does not intend to provide payphone service.

Respectfully Submitted,

AFN TELECOM, LLC

By 

Martin L. Stern

David Thomas

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Washington, DC 20006-5209

202-628-1700/Fax: 202-331-1024

Counsel for AFN Telecom, LLC

VERIFICATION

OATH

State of Oklahoma)
) ss
County of Tulsa)

Mickey S. Moon makes oath and says that he is Assistant Secretary
(Insert here the name of affiant) (Insert the official title of the affiant)

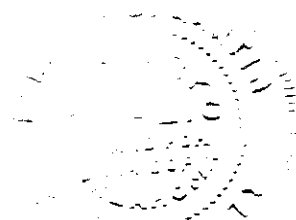
of AFN Telecom, LLC
(Insert here the exact legal title or name of the Applicant)

that he has examined the foregoing application and that to the best of his knowledge, information, and belief, all statements of fact contained in the said application are true, and the said application is a correct statement of the business and affairs of the above-named applicant in respect to each and every matter set forth therein.

Mickey S. Moon
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in Oklahoma
(Title of person authorized to administer oaths)

in the State and County above named, this 29th day of March, 2001.



Barbara E. Martin
(Signature of person authorized to administer oath)

My Commission Expires May 26, 2003.

EXHIBITS

- Exhibit A Map of AFN Communications, LLC's Overall Network
- Exhibit B Contact Persons
- Exhibit C Certificate of Organization/Authority
- Exhibit D Managerial and Technical Qualifications
- Exhibit E Financial Qualifications